



# NASA Policy Directive

**NPD 9050.6K**Effective Date: March 02, 2015  
Expiration Date: March 02, 2020**COMPLIANCE IS MANDATORY**[Printable Format \(PDF\)](#)

Request Notification of Change (NASA Only)

## **Subject: NASA Exchange and Morale Support Activities**

**Responsible Office: Office of Strategic Infrastructure**

### **1. POLICY**

a. It is NASA's policy that an Exchange and Morale Support Activity (Exchange) operate at each NASA Center for the purpose of promoting the morale and welfare of NASA employees.

b. Exchange and Morale Support Activities (Exchanges) are instrumentalities of the United States with associated privileges, rights, and immunities. To ensure this status, Exchanges will be under NASA's control, and ownership interests will be with the U.S. Government. Therefore, all organizations using Exchange facilities will be determined to be either an Exchange element (instrumentality) or an independent organization.

(1) Instrumentalities will be under Exchange control.

(2) Independent organizations and their equipment will be separated from, and not controlled by, the Exchange, and the organization or activity will not compete with or duplicate Exchange operations.

(3) Approval for use of NASA or NASA Exchange facilities by independent organizations is based upon activities proposed and the organizations' ability to satisfy requirements, such as insurance. Approval for use does not establish an independent organization as an instrumentality.

(4) Exchange fund support shall not be provided to independent organizations (except for Center-based clubs recognized by the Exchange Council (see section 5a(7)), private groups, individuals, or charities. An Exchange shall not provide in-kind or fund support to augment appropriations in violation of 31 U.S.C. §§ 1301(a), 1342, 3302(b), or 51 U.S.C. 20113(d). The use of non-appropriated funds for activities for which appropriated funds are authorized, such as, but not limited to, Agency programs, awards, or protocol functions, is not proper and may result in a violation of Federal Government fiscal laws. Where appropriated funds would otherwise not be available under fiscal law for a programmatic or business meeting, event, or ceremony, e.g., to provide lunch at a working meeting, an Exchange also shall not provide in-kind or funds support for that purpose. However, an Exchange may use its nonappropriated funds for events and activities that are complementary to an official Agency event or milestone, where the Exchange events or activities are open to and would promote the morale and welfare of all Center employees. In addition, Exchanges are authorized to use nonappropriated funds to operate Exchange scholarship programs. Such scholarship programs must be operated in accordance with written standards approved by the Center Director. Exchanges are also authorized to use nonappropriated funds to provide non-monetary recognition to all retiring civil servants that is relatively minor in value (i.e., under \$150 per item).

### **2. APPLICABILITY**

a. This NASA Policy Directive (NPD) is applicable to NASA Headquarters and NASA Centers, including Component Facilities, and Technical and Service Support Centers.

b. In this NPD, all mandatory actions (i.e., requirements) are denoted by statements containing the term "shall." The terms "may" or "can" denote discretionary privilege or permission, "should" denotes a good practice and is recommended but not required, "will" denotes expected outcome, and "are/is" denotes descriptive material.

c. In this directive, all document citations are assumed to be the latest version unless otherwise noted.

### **3. AUTHORITY**

The National Aeronautics and Space Act, 51 U.S.C. § 20113 (a).

#### **4. APPLICABLE DOCUMENTS AND FORMS**

- a. Acceptance of Gifts [the "Space Act" statute] 51 U.S.C. 20113(c)(5).
- b. Application [the "Purpose" statute], 31 U.S.C. § 1301(a), as amended.
- c. Custodians of Money [the "Miscellaneous Receipts" statute], 31 U.S.C. § 3302(b), as amended.
- d. Federal Acquisition Regulation (FAR), 48 CFR Parts 1-53. Unemployment Compensation, 5 U.S.C. §§ 8501-8508.
- e. Federal Employees Compensation Act, 5 U.S.C. §§ 8101-8193.
- f. NASA FAR Supplement, 48 CFR, Chapter 18.
- g. Limitation on Voluntary Services, 31 U.S.C. § 1342, as amended.
- h. Taxation Affecting Federal Areas, 4 U.S.C. §§ 105-107, as amended.
- i. Vending Facilities for the Blind in Federal Buildings, 20 U.S.C. § 107, et seq., as amended.

#### **5. RESPONSIBILITY**

a. Center Directors (who, throughout this document are deemed to include the Executive Director for Headquarters Operations) shall:

- (1) Establish at the NASA Centers and Component Facilities under their jurisdiction a NASA Exchange and branches to operate activities contributing to the morale and welfare of NASA personnel.
- (2) Establish policy and procedures appropriate to Exchange management.
- (3) Operate the Exchange and its elements in a businesslike manner.
- (4) Authorize Exchanges' use of NASA-controlled real property and facilities and submit real property acquisitions and facility projects to NASA's Facilities and Real Estate Division at NASA Headquarters, in accordance with Attachment A.
- (5) Ensure that Exchanges observe the Department of Education and cognizant state licensing agency regulations in implementing the Randolph- Sheppard Act Amendments of 1974, 20 U.S.C. § 107 et seq.
- (6) Complete an annual report of Randolph-Sheppard activities and forward it to the NASA Exchange Official in the NASA Headquarters Logistics Management Division by February 15 each year.
- (7) Appoint an Exchange Council that includes no less than five Center civil service employees and designate one member as Chairperson, one as Treasurer, and one as Exchange Operations Manager.
- (8) Forward a list of Council Members to the NASA Exchange Official in the NASA Headquarters Logistics Management Division by February 15 each year.

b. The Exchange Operations Manager shall:

- (1) Manage the Exchange within the policy, rules, and recommendations of the Exchange Council as approved by the Center Director.
- (2) Manage all Center Exchange Records.

c. The Exchange Council and Exchange Council members shall:

- (1) Perform their duties without compensation from the Exchange; no employee paid by the Exchange may be an Exchange Council member.
- (2) Meet on a regular basis, as necessary at the Chairperson's discretion, to review and approve activities of the Exchange. Minutes of Council meetings shall be kept on file.
- (3) Promote Exchange objectives and determine the extent of Exchange support of welfare and morale activities.
- (4) Ensure that the operation of organizations established with its permission and under its control conforms to this NPD.
- (5) Change policies, organizational structure, scope of activity, rules, or business practices with the Center Director's approval.

- (6) Advise the NASA Exchange Official in the Headquarters Logistics Management Division of significant changes in policy, structure, scope of activities, rules, etc., prior to their implementation.
- (7) Establish a system of internal control that will provide reasonable assurance regarding the financial data, compliance with applicable laws and regulations, and prevention of, or prompt detection of, unauthorized acquisition, use, or disposition of Exchange assets. Controls over assets include periodic inventories and safeguards for the protection of the Exchanges' property and supplies to prevent pilferage or unnecessary loss.
- (8) Review financial statements, activity budgets, and all other appropriate reports, including those of the Office of Inspector General, to ensure operation of a sound, businesslike organization and provide for an annual audit of books and records of the Exchange and its elements.
- (9) Submit an annual report of Exchange Council activities to the Center CFO (with a copy to the Center Director), including a business plan for the next fiscal year, by February 15.
- (10) Ensure the reporting requirements found in Attachment A of this NPD are followed correctly.

(11) Complete a 1-hour required annual ethics training session.

d. Exchanges may, by contract or otherwise, perform the following:

- (1) Operate businesses not limited to establishments such as food services, retail stores, social lounges, car washes, or salons.
- (2) Operate vending machines within Center buildings and grounds, to the extent that such operation is consistent with Federal and state laws and regulations.
- (3) Promote, manage, and oversee morale support activities, including, but not limited to, fitness centers, athletic leagues, social clubs, child development centers, and recreation associations that contribute to the morale and welfare of NASA personnel.
- (4) Use and acquire real property and facilities to achieve Exchange objectives.
- (5) Sell goods and provide services, provided they do not unduly compete with local merchants.
- (6) Receive and accept unsolicited and unconditional gifts, contributions, or donations intended for the Exchange and as approved by the Exchange Council.
- (7) Generate revenues or in-kind assistance through advertising or commercial sponsorships, provided the Exchange makes no endorsements, all agreements are in writing, and with the concurrence of the Center Chief Counsel.
- (8) Conduct other activities, events, and programs that support the morale and welfare of the workforce, as authorized by the Center Director with the prior concurrence of the Center Chief Counsel (and the Center Public Affairs Officer, when activities involve the public) and that are clearly in NASA's and its employees' interests.

e. Concerning sales, Exchanges shall:

- (1) Sell goods or services at the lowest possible prices or fee charges, consistent with operational costs and business and financial needs.
- (2) Use any surplus revenues to promote other Exchange activities.

f. Exchange handling of real property will be in accord with the requirements of Attachment A of this NPD.

g. Exchange activities will generally be supported by non-appropriated funds under the Exchange's sole jurisdiction.

h. Exchange programs will normally use appropriated funding for executive control and management supervision; annual financial audits; utilities/maintenance/operations of facilities; repair of equipment; and other safety, health, or security requirements. Center Directors, with prior concurrence of the Center Chief Counsel and Chief Financial Officer (CFO), may authorize appropriated fund support for other activities, functions, or services, such as cafeterias and snack bars.

i. Exchange procurement of materials, supplies, or services with non-appropriated funds is not subject to procurement statutes and regulations applicable to NASA, unless made specifically applicable by a statute or regulation. As practicable, however, Exchange procurement practices will:

- (1) Conform to NASA's practices for conducting procurements.
- (2) Conform to the requirements listed in Attachment A of this NPD.

j. Exchange activities shall be for the benefit of NASA employees. Participation in activities may include NASA employees and retirees, their family members and guests, NASA contractor employees, official visitors, and any

other residents and visitors as approved by the Exchange Council upon a finding that such expanded participation for the specific activity will contribute to the morale of NASA employees.

k. Exchange privileges may be denied to a patron who resells purchased merchandise.

l. Concerning liability insurance, the Exchange shall:

(1) Obtain liability insurance, as determined by the Exchange Council and Center Director.

(2) Name the United States as an additional insured party.

m. Concerning taxes, the Exchange shall:

(1) Collect, pay, and report applicable Federal taxes. By authority of Congress, a state may impose and collect tax on sales made by an Exchange concessionaire located on Federal property. A state may not levy and collect such a tax on sales made by the Exchange itself (4 U.S.C. §§ 105- 107).

(2) Collect and pay state and local use and sales taxes, as applicable.

(3) Conform to policy applicable to appropriated fund employees of NASA at the same location concerning withholding and paying of Federal and state income taxes. Exchange employees are subject to 5 U.S.C. §§8501-8508, Unemployment Compensation, and 5 U.S.C. §§ 8101-8193, Federal Employees Compensation Act.

n. If an Exchange is terminated, the successor in interest for non- appropriated assets will be other NASA Exchanges, and its appropriated assets become the property of the United States Government.

o. The Center CFO shall:

(1) Review financial statements and audit reports to ensure that the Exchange is financially sound and that responsible business practices are being followed.

(2) Comply with the requirements set forth in OMB Circular A-50 to ensure audit recommendations addressed to the Exchange follow the Agency's established audit follow-up system. That system is designed to maintain accurate records of the status of audit reports or recommendations through the entire process of resolution and corrective action.

p. The Center Chief Counsel or, for Headquarters, the General Counsel, are responsible for:

(1) Providing guidance on legal and regulatory matters to the Exchange Council, including matters pertaining to the applicability of Government procurement statutes and regulations to Exchange procurements and matters pertaining to the collection and payment by the Exchange of state and local use and sales taxes.

(2) Concurring on concession contracts and on proposals for acquisition of real property for Exchange activities.

q. The NASA Logistics Management Division, or designee, shall:

(1) Monitor Centers' adherence to this directive through required reporting, periodic visits, and reviews.

(2) Concur on proposed exceptions to this directive.

(3) Issue such supplemental guidelines and procedures as may be necessary to implement this directive.

(4) Function as the Records Manager for all Agency Exchange records.

r. The NASA CFO is responsible for general oversight of financial activities in NASA, including Exchanges.

## **6. DELEGATION OF AUTHORITY**

The authority to establish Agency policy for Exchanges is delegated to the Assistant Administrator for the Office of Strategic Infrastructure. Any responsibilities of the Center Directors or the Executive Director for Headquarters Operations may be delegated to any responsible NASA official if the delegation is made in writing and reported to the NASA Exchange Official in the NASA Headquarters Logistics Management Division.

## **7. MEASUREMENT/VERIFICATION**

Exchanges will report on their activities, business plan, and financial status as stated in paragraphs 5c(7) through 5c(10).

## **8. CANCELLATION**

NPD 9050.6J, NASA Exchange and Morale Support Activities, dated November 29, 2010.

**/s/Charlie F. Bolden  
Administrator****ATTACHMENT A: Requirement Specifics****Exchange Contract Requirements:**

A.1. All procurements and other acquisitions that result in a contract (aka "concessionaire agreement") between an Exchange and another entity shall be thoroughly documented and retained by the Exchange Business Manager for a period of at least seven years after the end of performance as part of official Exchange records.

A.2 Unless it would be inappropriate due to the nature of an Exchange contract, a clause shall be included in each contract stating that the contractor will indemnify and hold harmless the United States; its agents and instrumentalities (including the Exchange); and representatives, officers, and employees thereof from any and all claims, demands, actions, debts, liabilities, judgments, and costs arising out of, claimed on account of, or in any manner predicated upon, the loss of or damage to property, or injury to or death of any person(s) in any manner caused or contributed to by any action or omission of the contractor or its agents, representatives, or employees.

A.3 Exchanges shall not give indemnification in any contract, except that in exceptional cases, Exchanges may sign such a contract with the approval of the Center Director, subject to the prior concurrence of their Center Chief Counsel and CFO.

A.4 Exchanges shall compete and negotiate concession contracts generally in accordance with the Federal Acquisition Regulation (FAR) and NASA FAR Supplement. Center procurement staff shall provide support to the Exchanges in such procurements and document any deviations.

A.5 Concurrence of the Center Chief Counsel and approval of the Center Director is required for any large Exchange contract, which is defined as one with an estimated total value of \$500,000 or more.

A.6 For Exchange contracts of less than \$500,000 in estimated total value, the concurrence of the Exchange's legal advisor (in the Office of the Chief Counsel, as appropriate) is required, as is the approval of the Exchange Operations Manager.

A.7 A copy of all large Exchange contracts shall be forwarded to the NASA Exchange Official in the Headquarters Logistics Management Division by the Exchange Business Manager.

**Exchange Real Property Requirements:**

A.8 A Center Director may authorize the use of NASA-controlled real property and existing facilities for Exchange operations, provided that such use does not interfere with official business or involve activities with the potential to release hazardous substances to the environment for which NASA (as the real property owner) is ultimately liable. Use of NASA- controlled real property and facilities for activities with the potential to release hazardous substances to the environment shall be approved in advance by the appropriate Mission Directorate Associate Administrator, the NASA General Counsel, and the Assistant Administrator for Strategic Infrastructure.

A.9 Proposals for the acquisition of real property for Exchange activities by lease, purchase, or otherwise shall require the concurrence of the Center Director and Center Chief Counsel and then be forwarded for concurrence by the Director, Facilities and Real Estate Division, NASA Headquarters, prior to approval by the Exchange Operations Manager.

A.10 Proposed expenditures of non-appropriated funds for new Exchange facilities or proposed expenditures of non-appropriated funds in excess of \$500,000 per instance for modification of existing Exchange facilities shall also be forwarded for approval by the Director, Facilities Engineering and Real Property Division. The Exchange Operations Manager may approve normal maintenance and repair of facilities or replacement of equipment.

**Annual Exchange Council Reporting and Financial Requirements:****Financial Reports:**

A.11 The Exchange Council at each Center and at Headquarters shall maintain financial records in accordance with generally accepted accounting principles as promulgated by the standard setting bodies designated by the Council of the American Institute of Certified Public Accountants

A.12 Audits of Exchange finances shall be conducted annually by a licensed independent public accounting firm in accordance with Government Auditing Standards (GAS) issued by the Comptroller General of the United States. However, smaller Exchanges (i.e., less than \$500K total annual revenues), may perform a review in accordance with American Institute of Certified Public Accountants Standards for Accounting and Review Services, provided that the plan for doing so is fully justified and approved in writing, in advance, by the NASA CFO and the NASA



**Exchange Official in the Headquarters Logistics Management Division**

A.13 The Exchange Operations Manager shall submit copies of consolidated September 30 End-of-Year Exchange financial statements and the annual audit report to the Center CFO and the NASA Exchange Official in the Headquarters Logistics Management Division by February 28 of the following year.

A.14 For NASA Headquarters, the Exchange Council President (or designee) shall submit the financial statement and audit report to the Executive Director, Office of Headquarters Operations. Audit responses will comply with the requirements set forth in the Office of Management and Budget (OMB) Circular No. A 50, Audit Follow-up.

**Annual/Business Reports:**

A.15 At a minimum, the annual report and business plan for all NASA Centers shall include the following:

- a. A current list of council members.
- b. A description of major activities for the previous year.
- c. A description of major activities planned for the current year.
- d. An assessment of major issues for both years. This report may include the annual report of Randolph-Sheppard Act activities discussed under sections 5a(5) and 5a(6) of this NPD.

A.16 A copy of the annual report and business plan shall be forwarded to the NASA Exchange Official in the Headquarters Logistics Management Division and the Office of the Chief Financial Officer, NASA Headquarters.

**Financial Deposit Requirements:**

A.17 The entire balance of any Exchange's deposits at any financial institution shall be federally insured by either the Federal Deposit Insurance Corporation or the National Credit Union Administration, as applicable. In addition, if any deposits exceed the deposit insurance limit, the Exchange shall arrange for the financial institution to pledge obligations to the U.S. Government as collateral for any uninsured balances.

**ATTACHMENT B: ACRONYMS**

CFO Chief Financial Officer

FAR Federal Acquisition Regulation

GAS Government Auditing Standard

NPD NASA Policy Directive

OMB Office of Management and Budget

**ATTACHMENT C: References**

C.1 District Courts; Jurisdiction and Claims Against the U.S. Generally, 28 U.S.C. §§ 1346, 1491.3 as amended.

C.2 NPR 1441.1, NASA Records Retention Schedules.

**(URL for Graphic)**

None.

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